



AMERICAN FARM BUREAU FEDERATION®

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June 16, 2005

Mark Friedrichs, PI-40
Office of Policy and International Affairs
U.S. Department of Energy
1000 Independence Ave., SW
Washington, DC 20585

RE: Comments on 1605(b) Guidelines

Dear Mr. Friedrichs:

The American Farm Bureau Federation (AFBF) appreciates the opportunity to comment on the proposed 1605(b) voluntary greenhouse gas reporting guidelines and technical manual concerning greenhouse gas emissions and carbon sequestration.

In general, AFBF recognizes that the agricultural and forestry communities can play a large role in sequestering greenhouse gases (GHG) in the form of carbon through the planting and managed harvest of timber, low-till or no-till cultivation practices on agricultural lands, and the type of crop grown. We recognize further that once the carbon-sequestering practices have been established and verified, there may be an opportunity to sell or trade the resulting carbon credits to major emitters within the utilities and manufacturing sectors.

Carbon, however, is only one of several GHGs that are targeted within the rule, and we are concerned how the agency may choose to pursue reduction strategies of other GHGs such as methane and nitrous oxide (NO_x).

If and when reduction goals are established for methane and NO_x, there may be significant costs to agricultural producers to achieve specified reductions. Unfortunately, it is impossible to identify when this may be a factor, and what the cost might be. But the ramifications are clear. If farmers are willing to accept returns from selling carbon credits to major carbon emitters, some will argue that agricultural producers should therefore also be willing, perhaps even obligated, to accept the costs associated with future reductions in methane and NO_x.

Emission Values of Agricultural Greenhouse House Gases in Technical Guide

AFBF is concerned that the assumptions and values included within the technical guide may be interpreted to be part of the actual rule. Our concern in this matter is fundamental because this data appears to be similar to the historical data references used by the Environmental Protection Agency (EPA) and United States Department of Agriculture.

The National Academy of Sciences recently deemed that this data is insufficient and inappropriate for use by the federal government in determining current emissions.

If these values must be included within the guide, it is essential that the agency recognize that these values are arbitrary and will need to be updated on a continuing basis, especially in light of the voluntary air consent agreement that the EPA is undertaking.

Confusion if Agriculture and Forestry Classified as “Small Emitter” or “Reporter, Not Registering Reductions”

Further clarification is warranted on the distinction between agricultural and forestry practices that lead to decreased GHG *emissions* versus actual practices that lead to *carbon sequestration*.

It will be critical to recognize that certain agricultural and forestry-related practices undertaken to reduce certain GHG emissions, do NOT necessarily lead to sequestration. Some language in the rule is confusing, as it seems *emission reductions* and *sequestration activities* are sometimes seen as synonymous.

Furthermore, the rule is confusing as to how agricultural and forestry operations would classify themselves within the reporting program. As we interpret the rule, most entities would either fall into the “Small Emitter” (less than 10,000 metric tons of GHGs annually) or “Reporter, Not Registering Reductions” categories. However, a bright-line difference between the two categories is hard to recognize.

As currently written, our interpretation of the categories would be the following:

1) **Small Emitter:** An agriculture or forestry-related enterprise registering as a small emitter would be reporting practices that have led to actual reductions in GHG emissions from their properties, due to a variety of improved practices. These practices might include increased energy efficiency; manure lagoon covers; reduced fertilizer usage; enhanced forest management techniques, or other practices

These small emitters could also be reporting a variety of related or unrelated activities, such as idled or better managed lands that are sequestering carbon. However, they would NOT be required to report on ALL of their current or potential emissions. But they would need to prove on a yearly basis through the model SEIT simulation that they are not emitting more than 10,000 metric tons of GHGs.

2) **Reporter, Not Registering Reductions:** An agriculture or forestry related enterprise would ONLY report how much carbon their land may be sequestering. They would not be reporting on ANY current or potential *greenhouse gas emissions* or *greenhouse gas reductions*. They also would NOT be required to prove they are emitting less than 10,000 metric tons of GHGs, thus they are not subject to submitting data for the model SEIT simulation.

3) **Large Emitter (Emitting greater than 10,000 metric tons of GHGs on annual basis):** As it pertains to agriculture and forestry related entities, almost all individual and privately-owned operations would fall into the category of emitting less than 10,000 metric tons of GHGs. However, as the rule is written, it appears that certain agricultural and forestry-related integrators, who may hold a contract relationship with hundreds or thousands of individual landowners, could be classified as large emitters, if they chose to enter into the system. Farm Bureau is concerned about protecting the property and propriety rights of individuals within the establishment of any reporting system. Therefore, we recommend that the agency limit the ability of integrators to report emission or sequestration activity without the express written consent of the landowner. Furthermore, the agency should strive to assure that any credits or compensation granted to integrators are shared with the landowner.

Reporting Agriculture and Forestry GHG Emissions

When agriculture and forestry-related activities are registered as small or large emitters, there is some question as to how they would report actual emissions. While the rule states that small emitters are NOT REQUIRED to report ALL their emissions (unlike large emitters, which must do so), the rule does not make clear exactly what emissions or emission reduction data must be reported to the system by small emitters.

As for agriculture and forestry-related activities, we suggest that if emissions data must be reported, the data should only be reported on sources that have adopted practices to reduce GHG emissions. For example, if a manure lagoon had been emitting a certain amount of GHGs and a cover were placed on the lagoon, the only emissions data required to be reported would be the current level of emissions – the amount of net emissions after installation of the reduction technology.

We support the concept that small emitters NOT be required to report ALL of their emissions. We are concerned, however, that in order for a farming or forestry related operation to prove that it emits less than 10,000 metric tons, the landowner WOULD BE required to submit data on their ENTIRE operation. Rather than a landowner being forced to prove he is under the threshold and produce data, the agency should simply be able to estimate by several variables such as: land mass and types of agricultural production; amount of livestock; generally accepted practices for the region, and other factors.

If the agency plans to collect personalized data for the SEIT model runs, that data should NOT be retained in any way for any reporting system, except if authorized by the participating party.

SEIT Model and Proving Threshold

It is unreasonable and burdensome for agriculture and forestry (small emitters) to annually prove that they are still small emitters, especially if they are significantly below the 10,000-ton threshold.

Concern Over Incorporating Technical Guidance into Rule/Code

In several parts of the technical guidance, innumerable estimates and assumptions are imbedded within the numeric values and models. Considering the evolving nature of the science and data, we are concerned over incorporating the technical guidelines into code.

The technical guidelines should be maintained as an external guidance document that assists in the implementation of the future reporting system. All efforts should be made for periodic and expeditious updates of data and guidelines.

Relationships Between Contract Growers and Agriculture Integrators

We continue to have concerns over how the program may be implemented between agricultural integrators and contract growers. Are integrators allowed to report on activities of their contract growers? Should only private landowners be allowed to report? If agricultural integrators did participate in the system and report, would they be classified as large, small or as aggregators? What about definition of “entity” and “subentity” as it relates to integrators? As a follow-up to our concerns stated within the “large emitter” section of our comments, Farm Bureau believes any agricultural integrator should NOT be able to report any emission or sequestration activity without the express written consent of the landowner.

Conclusion

AFBF acknowledges the tremendous effort that the agency has undertaken. At the same time, we continue to encourage you to focus on ways to assist landowners in their efforts to quantify carbon sequestration, with the hope that such action may complement any future endeavors aimed at providing compensation to landowners that voluntarily partake in programs to sequester carbon on their lands.

While we acknowledge that certain agricultural and forestry related activities may release GHGs, the program focus should remain on opportunities for sequestration. The agency should assure that any program related to GHG emissions from agriculture and forestry related activities is not burdensome in reporting standards.

Furthermore, in order to build confidence in the system, assurances must be provided that information collected under the program is confidential and will not be used for future regulatory purposes.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Mark Maslyn', with a stylized, cursive script.

Mark Maslyn
Executive Director, Public Policy